Saskatchewan
Environment and
Public Safety

Annual Report 1990-91

Saskatchewan Environment and Public Safety

Environmental Protection Fund

92-05044/

Table of Contents

	Page
Letters of Transmittal	3
Fund Establishment	5
Beverage Container Collection and Recycling System	6
Environmental Projects	8
Financial Summary	10
Auditor's Report	13
Financial Statements	14

Letters of Transmittal

Her Honour
The Honourable Sylvia O. Fedoruk,
O.C., S.O.M.
Lieutenant Governor of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Your Honour:

It is my pleasure to submit to you the Annual Report of the Environmental Protection Fund for the fiscal year ending March 31, 1991.

Respectfully submitted,

Carol Carson

Carol Carson
Minister

The Honourable Carol Carson
Minister of Environment and Public Safety

Dear Ms. Carson:

It is my pleasure to submit to you the 1990-91 Annual Report of the Environmental Protection Fund for the fund's third year of operation. Return rates for all types of beverage containers continue to increase, adding to the success of the SARCAN system.

The fund's surplus from unrefunded beverage container deposits has allowed a number of important environmental projects to be undertaken.

The Environmental Youth Corps Program provided approximately 70 university students summer employment in environmental protection. The North American Waterfowl Fund established the Saskatchewan Wetland Conservation Corporation, an international waterfowl conservation program. The Saskatchewan Round Table on Environment and Economy completed the first stage in developing a Conservation Strategy, a plan of action to achieve environmentally sustainable economic development. The Round Table also launched the province's first Environmental Awards Program to recognize outstanding contributions in environmentally and economically sound development. The Environmental Assessment Review Commission completed its major review of environmental assessment legislation, and a study of land use and environmental protection for the Great Sand Hills was completed.

Funds were also provided to initiate plans to establish a Saskatchewan Waste Reduction Council, to develop a provincial hazardous waste strategy, and to continue the Agricultural Chemical Collection Program.

The fund continues to make a major contribution to environmental responsibility.

Respectfully submitted,

L. J. Cooke
Deputy Minister

Fund Establishment

The Environmental Protection Fund was established by authority provided in *The Litter Control Amendment Act, 1988*, effective May 12, 1988.

The fund was established to receive moneys generated by an environmental handling charge and a refundable deposit levied on designated non-refillable beverage containers sold in the province. Money accumulated in the fund is to be used to pay for the collection and recycling of non-refillable containers, and to pay deposit refunds on the containers collected.

Unrefunded deposits are dedicated to be used for environmental purposes by the Minister of Environment and Public Safety, with approval by the Minister of Finance.

Beverage Container Collection And Recycling System

A province-wide system of depots has been established to collect designated non-refillable beverage containers. The system is managed by the Saskatchewan Association of Rehabilitation Centres (SARC) under contract with Saskatchewan Environment and Public Safety. SARCAN Recycling, a subsidiary of SARC, was established to operate the system.

The following primary goals were established for SARCAN:

- To maximize collection of designated non-refillable containers; and
- To maximize employment of handicapped individuals.

By year end, 62 satellite depots and 3 processing centres were in operation employing approximately 182 individuals. Of these, 143 employees are handicapped individuals.

Three types of designated non-refillable beverage containers were collected by SARCAN during the year. Aluminum cans have been collected since May, 1988; polyethylene terephthalate (PET) plastic bottles have been collected since November, 1988; and non-refillable glass bottles since October, 1990. Only those containers used for the distribution of carbonated soft drinks and alcoholic beverages (including beer) were collected.

The following is a tabulation of the containers distributed for sale in the province as reported by Sask Finance and the containers returned to SARCAN depots as reported by SARCAN during the period April 1, 1990 to March 31, 1991.

Table 1
Beverage Containers Distributed and Returned

Container	Distribution	Returned	Return Rates 1990-91
Aluminum Cans	76,509,043	58,309,352	76%
PET Bottles	17,995,709	9,994,138	56%
Glass Bottles	4,033,138	1,290,574	32%

Comparison of Return Rates

Return rates on containers have continued to increase since establishment of the program as follows:

Table 2
Container Return Rates, 1988-91

	1988-89	1989-90	1990-91
Aluminum Cans	48%	73%	76%
PET Bottles	19%	47%	56%
Glass Bottles	---	---	33%

Environmental Projects

This was the second year expenditures were made on projects for environmental purposes from surplus funds not required for operations.

The following projects were funded during the year:

Environment Youth Corps - $928,715

Temporary summer student program provided university students with opportunities to gain experience in the area of environmental protection and enhancement. Approximately 70 students were hired by 18 government and non-government organizations with salaries reimbursed from the Environmental Protection Fund.

North American Waterfowl Plan - $750,000

Operational funds for the Saskatchewan Wetland Conservation Corporation established in January, 1990 to co-ordinate the implementation of programs in Saskatchewan under the North American Waterfowl Management Plan. This is an international program and Saskatchewan has a significant role in waterfowl conservation with respect to preservation, management and development of waterfowl breeding habitat including wetland, uplands nesting areas, and other wildlife habitat in Saskatchewan.

Agriculture Chemical Collection Program - $307,506

This the second year of operation. This program collects and disposes of hazardous agricultural chemicals which are stored at residences, farms and government storage facilities across the province. The storage of these unwanted, deteriorated and in some cases, highly toxic chemicals present an extreme risk and pose a serious hazard to wildlife, fish and the environment if they are carelessly discarded.

Environment Assessment Review Commission - $188,229

This Commission was appointed on August 9, 1990 by the Minister of Environment and Public Safety. Their mandate was to review the current Saskatchewan Environmental Assessment Review process and *The Environmental Assessment Act*. The Minister of Environment and Public Safety requested recommendations for changes to both the process and legislation. The Commission's report was submitted February 27, 1991.

Great Sand Hills - $112,285

A study of land use/environmental protection related to natural gas development in the Great Sand Hills was completed during the year. After extensive public consultation, a Land Use Strategy for the area has been developed to achieve a balance between environmental protection and development functions.

Round Table on Environment and Economy - $109,145

A budget was provided in the 1989-90 appropriation for the Department of Environment and Public Safety as base funding for the Saskatchewan Round Table on Environment and Economy established in March, 1989. The Round Table was to seek assistance from the private sector for any additional operation funds required, and if funds were not available from that source, they were to be provided by the Environmental Protection Fund. Extra funding in 1990-91 was provided for Round Table committee members' honorariums and travel expenses, staff travel related to the Round Table, and general operating expenses. As well, an Environmental Awards Program was initiated to recognize both individual and corporate environmental awareness.

Hazardous Waste - $96,208

In 1989, the Department began the development of a provincial strategy to manage biomedical waste and waste dangerous goods. The study involves the compilation of province-wide inventories, the evaluation of waste management options, and stakeholder consultation and is expected to be completed in 1992.

Conservation Strategy - $93,350

The Terms of Reference for the Saskatchewan Round Table on Environment and Economy called for the establishment of a Conservation Strategy by the end of 1991. The strategy is to address economic environmental integration in the province to move Saskatchewan towards sustainable development. Eleven sector reports have been completed and a draft Conservation Strategy will be released in 1991.

Shamrock Risk Assessment - $66,184

An independent risk assessment of Shamrock Agri-Tech Inc. herbicide plant in the City of Regina was completed during the year. The study confirmed that with the implementation of several environmental safety measures, the operation was considered safe to the public.

Environmental Laboratory Study - $55,775

A feasibility study to examine potential development of an Environmental Trace Organics Laboratory for the province was completed. Such a facility would eliminate unnecessary delays by increasing provincial capacity to undertake tests for dioxins and other hazardous chemicals. Results of the study are pending.

Pitch-In Saskatchewan Campaign - $40,000

Provincial contribution of financial assistance for 1991 Pitch-In Week anti-litter program in Saskatchewan. Funds were used for development and production of information kits, waste reduction/recycling bags and general operating expenses.

Greenhouse Effect - $30,000

A study on the development of an action plan to deal with the Greenhouse Effect and its effects in Saskatchewan. The study is still in progress, with the final draft report to be submitted in 1991.

Water Quality Management - $11,401

Laboratory analysis, field expenses and equipment to support the development of a comprehensive water quality management program. Water quality information on waterbodies in northern Saskatchewan is gathered and information on recreational lake water quality for cottagers is updated.

Saskatchewan Waste Reduction Council - $8,562

The Saskatchewan Eco Network was provided with provincial funding to undertake preliminary work to establish a Saskatchewan Waste Reduction Council.

Financial Summary

The environmental handling charges and refundable deposits levied on containers during the year were:

Table 3
Environmental Handling Charges and Deposits Levied, 1990-91

Container	Environmental Handling Charge	Refundable Deposit	Total Collection
Aluminum Cans	$.02	$.05	$.07
PET Bottles			
1 litre and Over	.05	.10	.15
Under 1 litre	.05	.05	.10
Glass			
1 litre and Over	.035	.10	.135
Under 1 litre	.035	.05	.085

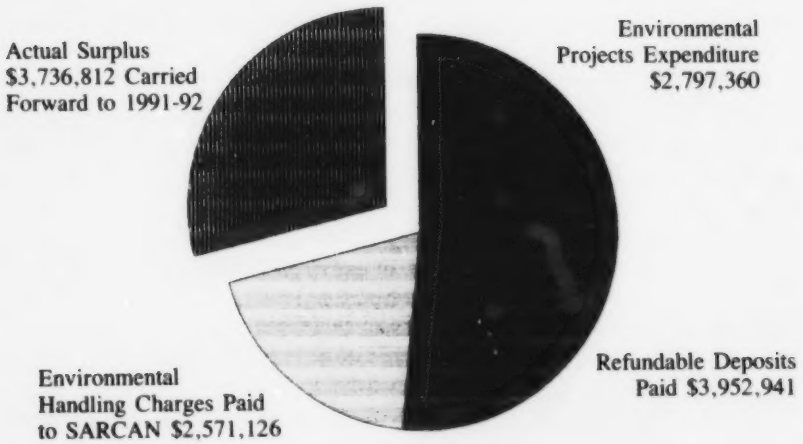
The total revenue to the Fund from these levies plus interest earned by the Fund was $8,138,331.

The environmental handling charge is used to pay for the SARCAN system operation. The total environmental handling charge paid to SARCAN was $2,571,126. Refunds paid for cans and bottles returned to the SARCAN depots totalled $3,952,941. A total of $2,797,360 was expended on environmental projects.

The operating deficit for the year was $1,183,096 which, combined with the previous year's operating surplus of $4,919,908 produced a total accumulated operating surplus at year end of $3,736,812.

This accumulated operating surplus will be carried forward to the 1991-92 fiscal year and made available for future environmental project expenditures.

Figure 1
1990-91 Environment Protection Fund Expenditures



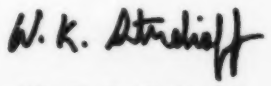
Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of The Environmental Protection Fund as at March 31, 1991 and the statement of operations and operating surplus for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.



Regina, Saskatchewan
July 24, 1991

W. K. Strelioff, C.A.
Provincial Auditor

The Environmental Protection Fund

Balance Sheet
As At March 31

	1991	1990
ASSETS		
Current:		
Due from the Consolidated Fund	$4,264,301	$5,278,029
Accounts receivable	112,239	143,461
	4,376,540	5,421,490
Fixed assets (Note 3)	25,443	38,165
	$4,401,983	$5,459,655
LIABILITIES AND OPERATING SURPLUS		
Current:		
Accounts payable	$ 665,171	$ 539,747
Operating surplus (Statement 2)	3,736,812	4,919,908
	$4,401,983	$5,459,655

(See accompanying notes to the financial statements)

The Environmental Protection Fund

Statement of Operations and Operating Surplus
For the Year Ended March 31

	1991	1990
Revenue:		
Interest	$ 564,746	$ 485,159
Collections	7,573,585	8,999,088
Total revenue	8,138,331	9,484,247
Expenditure:		
Payments to contractor		
Environmental handling charge	2,571,126	2,627,153
Refunds of deposits	3,952,941	4,324,754
	6,524,067	6,951,907
Environmental Projects		
Environment Youth Corps	928,715	———
North American Waterfowl Plan	750,000	250,000
Agriculture Chemical Collection Program	307,506	211,594
Environment Assessment Review Commission	188,229	———
Great Sand Hills	112,285	———
Round Table on Environment	109,145	21,209
Hazardous Waste	96,208	———
Conservation Strategy	93,350	———
Shamrock Risk Assessment	66,184	———
Environmental Laboratory Study	55,775	22,146
Pitch-In Saskatchewan Campaign	40,000	———
Greenhouse Effect	30,000	———
Water Quality Management	11,401	45,628
Saskatchewan Waste Reduction Council	8,562	———
Toxicology Research Grant	———	100,000
Saskatchewan Environmental Society	———	8,000
	2,797,360	658,577
Total expenditure	9,321,427	7,610,484
Excess of revenue over expenditure (expenditure over revenue)	(1,183,096)	1,873,763
Operating surplus, beginning of year	4,919,908	3,046,145
Operating surplus, end of year - to Statement 1	$3,736,812	$4,919,908

(See accompanying notes to the financial statements)

The Environmental Protection Fund

Notes to the Financial Statements March 31, 1991

1. Legislative Authority

The Environmental Protection Fund was established May 12, 1988, pursuant to The Litter Control Amendment Act, 1988.

a) Revenue

Section 14 of this Act states that the following amounts are to be deposited to the Fund:

i) For every purchase of a beverage in a designated container:
   a) an environmental handling charge; and
   b) a refundable deposit;
   in respect of each container.

ii) Interest earned on money deposited with the Consolidated Fund. The Fund receives interest on a quarterly basis from the Department of Finance at a prime-related rate.

b) Expenditures

Section 14.88 of this Act states that payments may be made out of the Fund:

i) for refunds in respect of designated containers returned to depots;

ii) to defray the expenditures incurred by the Minister pursuant to any agreements entered into the administration of the Act.

c) Disposition of Operating Surplus

Any money in the Fund not immediately required for the purposes described in b) may be used by the Minister of Environment and Public Safety for any environmental purpose approved by the Minister of Finance as provided in Section 14.89 of the Act.

d) Due from the Consolidated Fund

This amount represents the balance of funds held by the Consolidated Fund on behalf of the Fund.

2. Accounting Policies

a) Basis of Accounting

The accounts are maintained on the accrual basis of accounting except as follows. Legislation authorizes the collection of remittances from distributors. This revenue is only recognized when received by the Fund.

b) Fixed Assets and Depreciation

Fixed assets are recorded at cost and are depreciated on a straight-line basis at an annual rate of 25%. The cost and related accumulated depreciation of items disposed of are removed from the records and any gains or losses are included in the statement of operations.

3. Fixed Assets

	1991			1990
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment-Agriculture Chemical Collection Program	$ 5,093	$ 2,547	$ 2,546	$ 3,819
Equipment-Water Quality Management Program	45,794	22,897	22,897	34,346
	$50,887	$25,444	$25,443	$38,165

4. Related Party Transactions

The Fund has not been charged with administrative or occupancy costs except for those costs attributable to environmental projects as the total costs of approved projects are intended to be paid from the Fund. No provision for the unattributable costs is reflected in these statements. These costs are absorbed by the Department of Finance and the Department of Environment and Public Safety.